

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
MARK E. FELGER (MF9985) JERROLD N. POSLUSNY, JR. (JP7140) COZEN O'CONNOR LibertyView, Suite 300 457 Haddonfield Road Cherry Hill, NJ 08002 (856) 910-5000 Proposed Attorneys for the Debtors	
In re: SHAPES/ARCH HOLDINGS L.L.C., <u>et al.</u> , Debtors.	Case No. 08- Judge: Chapter: 11

Recommended Local Form: Followed Modified

APPLICATION FOR RETENTION OF STEVENS & LEE, P.C.
AS SPECIAL LABOR AND CONFLICTS COUNSEL FOR THE DEBTORS

1. The applicants, Shapes/Arch Holdings L.L.C. ("Shapes/Arch"), Shapes L.L.C. ("Shapes"), Delair L.L.C. ("Delair"), Accu-Weld L.L.C. ("Accu-Weld") and Ultra L.L.C. ("Ultra", and with Shapes/Arch, Shapes, Delair and Accu-Weld, collectively, the "Debtors"), by and through Steven Grabell, CEO of Shapes/Arch and Shapes, are the

Trustee: Chap. 7 Chap. 11 Chap. 13
 Debtors: Chap. 11 Chap. 13
 Official Committee of _____

2. The Applicants seek to retain the following professional, Stevens & Lee ("S&L"), to serve as:

Attorney for: Trustee Debtors-in-Possession

Official Committee of _____

Accountant for: Trustee Debtor-in-Possession

Official Committee of _____

Other Professional:

Realtor Appraiser Special Labor and Conflicts Counsel

Auctioneer Other (specify): _____

3. The employment of the professional is necessary because: On this date, the Debtors filed their petitions for relief under Chapter 11, Title 11 of the United States Code. The Debtors believe that the retention of S&L, as their special labor and conflicts counsel, is necessary to enable the Debtors to execute faithfully their duties and responsibilities in these cases.

4. The professional has been selected because: S&L has provided legal services in connection with labor and employment issues that face the Debtors in excess of 10 years. As a result, S&L is intimately familiar with the Debtors' collective bargaining agreements and employment issues. In addition, S&L is experienced in the field of debtors' and creditors' rights and business reorganizations under Chapter 11 of the Bankruptcy Code.

5. The professional services to be rendered are as follows:

- (a) Assisting the Debtors with employee grievances;
- (b) Negotiating with the Debtors' unions;
- (c) Advising the Debtors as to the interplay of the provisions of the Bankruptcy Code and the Debtors' collective bargaining agreements;
- (d) Assisting the Debtors with claims asserted by employees;
- (e) Assisting Debtors with labor and employment issues raised in connection with any sale of assets or the plan of reorganization;

- (f) Advising Debtors in connection with any matters involving Textron Financial Corporation and/or Hess Corporation and in connection with any other matters in which the Debtors' bankruptcy counsel, Cozen O'Connor, has a conflict involving one or more of the Debtors' creditors, provided S&L does not also have a conflict; and
- (g) Performing such other services as may be necessary or appropriate provided such other services fall within the general scope of the limited engagement described above.

6. The proposed arrangement for compensation is as follows: Subject to Court approval, S&L will seek compensation based upon its customary hourly rates in effect from time to time as set forth below, plus reimbursement of actual, necessary expenses incurred by S&L. S&L has received a retainer of \$50,000 on account of the services which it anticipates rendering to the Debtors pursuant to this engagement. The employees and assistants who will be primarily responsible for the representation of the Debtors and their current hourly rates are as follows:

Robert Lapowsky - \$480
Paul Lewis - \$500
Jo Bennet - \$395
John Kilgannon - \$360
Jocelyn Keynes - \$430
Frank Sabatino - \$490

These hourly rates are S&L's standard hourly rates and are subject to periodic adjustments to reflect economic and other conditions. Other employees employed by S&L may, from time to time, serve the Debtors in connection with these cases.

7. To the best of the applicants' knowledge, the professional's connection with the debtors, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee, is as follows:

None

Describe connection: Please see the Certification of Robert Lapowsky submitted in support of this Application.

8. To the best of the applicant's knowledge, the professional (check all that apply):

- does not hold an adverse interest to the estate.
- does not represent an adverse interest to the estate.
- is a disinterested person under 11 U.S.C. § 101(14).
- does not represent or hold any interest adverse to the debtors or the estates with respect to the matter for which he/she will be retained under 11 U.S.C. § 327(e).

Other; explain: From time to time, S&L may represent, or may have represented the Debtors' account debtors, creditors or interest holders of the Debtors in matters unrelated either to the Debtors' cases or to those entities' transactions or dealings with the Debtors. S&L has conducted a thorough conflict check and has determined that no conflict exists with respect to the Debtors' labor and employment issues or with respect to the Debtors' dealings with Textron Financial Corporation and/or Hess Corporation, as more fully described in the Certification of Robert Lapowsky, submitted in support of this Application. In the event a potential conflict is discovered, this Application will be updated.

9. If the professional is an auctioneer, appraiser or realtor, the location and description of the property is as follows: N/A

WHEREFORE, the applicants respectfully request authorization to employ the professional to render services in accordance with this application, with compensation to be paid as an administrative expense in such amounts as the Court may hereafter determine and allow.

Date: March 16 2008



Signature of Applicant

Steven Grabell
Name of Applicant